



CITY OF LODI

COUNCIL COMMUNICATION

AGENDA TITLE: Set Public Hearing for April 7, 1993 to Consider 1993-94
Community Development Block Grant (CDBG) Allocation

MEETING DATE: March 3, 1993

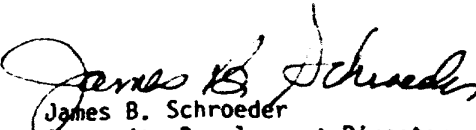
PREPARED BY: Community Development Director

RECOMMENDED ACTION: That the City Council set a public hearing to solicit
public comments and project ideas and to consider
multi-jurisdictional proposals.

BACKGROUND INFORMATION: The City will receive approximately \$500,000 from the
Federal government under the Community Development Block
Grant Program (CDBG) for the 1993-94 Program Year. This
program has been ongoing since 1986 when the City received its first allocation. To
be eligible for funding, projects must meet one of three national objectives:

To address the needs of low and moderate income persons
To eliminate a slum or blighted condition
To resolve an urgent need

FUNDING: Originally budgeted : 1993-94
Fund: CDBG
Allocation: \$499,455


James B. Schroeder
Community Development Director

JBS/cg

Attachments

Prepared by Eric Veerkamp, CDBG Coordinator

APPROVED: 

THOMAS A. PETERSON
City Manager



CC-1

InterOffice Memo

To: City Council Members
From: Eric W. Veerkamp
Date: February 17, 1993
Subject: 1993-94 Community Development Block Grant Allocation

The city is due to receive approximately \$500,000 under the Community Development Block Grant (CDBG) Program for the 1994-94 year. Such funds would generally be available on July 1st. Several chosen projects will be funded along with the ongoing funding of administration activities, fair housing activities*, dial-a-ride, code enforcement*, and housing rehabilitation.

The city has been participating in Federal program since 1986 as an agreement city with San Joaquin County. The reason for designating ourselves an agreement city along with the other "small" cities in the county, as opposed to a "stand alone" entitlement city, is that we are eligible for a larger funding amount.

A public hearing is required by HUD to allow citizens the opportunity to express their concerns about where the money is spent. If no one in the community requests funding for a project or projects, the city will have to decide on a use for the money that meets HUD's minimum requirements.

In order to be eligible for funding, a project/program must meet one of HUD's three national objectives:

1. To address the needs of low and moderate income persons.
2. To eliminate a slum or blighted condition.
3. To resolve an urgent need.

Under these three general headings, there are a host of eligible types of projects (see attached for a complete listing), some of which are:

1. Public improvements and services.
2. Renewal and rehabilitation projects.
3. Housing rehabilitation.
4. Economic development.
5. Social services activities.

In the past, the city has emphasized construction or reconstruction projects. A partial list of the projects the city has completed or will complete using CDBG funds are as follows:

1. Complete renovation and reconstruction of Hale Park.
2. Construction of walled patio with planters at Hutchins Street Square.
3. Rehabilitation of structure on Sacramento St. into homeless shelter.
4. Rehabilitation of some 20 single-family homes primarily in the east side.

5. Handicap retrofit of restroom at Blakely Park.
6. Handicap retrofit of Lodi Lake Beach restroom.
7. Replacement of water well 10R.
8. Renovation and construction of Blakely Park pool.
9. Handicap retrofit of restroom at Armory Park.

I am available to answer any questions you may have regarding the CDBG Program at ext. 644.

INTRODUCTION

PURPOSE

This Guide is designed to help public officials and citizens understand what activities are eligible to be assisted under the **Community Development Block Grant (CDBG) Entitlement Program**. While regulations provide the authoritative version of program requirements, this Guide:

- Organizes eligibility requirements in a more accessible format; and,
- Provides additional explanatory materials, including examples.

OVERVIEW OF CONTENTS

Chapter I (Eligible Activities) describes each type of activity which may be carried out with CDBG funds. The requirement that each activity must address at least one of the national objectives of the CDBG program is emphasized and examples are provided. Additional considerations related to undertaking each type of activity are also described.

Chapter II (National Objectives) describes the criteria that must be met and the records which must be maintained to qualify an activity as either:

- Benefiting low and moderate (L/M) income persons
- Addressing slums or blight; or,
- Meeting a particularly urgent community development need.

Chapter III (Overall Benefit to L/M Income Persons) describes the methodology each grantee must follow in determining if it is in compliance with the requirement that at least 60% of all CDBG funds be expended for activities which benefit L/M income persons over one, two, or three consecutive program years, as specified by the grantee. This is distinct from the requirement that individual activities which are considered to meet the L/M income national objective must benefit persons at least 51% of whom are L/M income.

The Guide also includes four appendices:

- (1) The first provides an overview of the program which the reader should find useful in describing the program to others.
- (2) The second contains guidance in conducting "necessary or appropriate" reviews when financial assistance is provided to private for-profit businesses for economic development.
- (3) The third appendix describes policies relating to special assessments under the CDBG program which are also referenced in the Guide.

(4) The last appendix lists the local HUD offices to be contacted for further information and guidance.

ADDITIONAL GUIDANCE

Considering the broad range of activities which may be carried out with CDBG funds and the need for interpretation of the applicability of requirements to many differing factual situations, this Guide will not provide answers to all questions about activity eligibility.

To avoid potential problems, grantees are encouraged to ask the local HUD office for clarification when requirements appear unclear and to bring ambiguous situations to that office's attention.

CHAPTER 1 -- ELIGIBLE ACTIVITIES

PURPOSE

This chapter describes in detail the many types of activities which may be assisted using CDBG funds. The purpose of the chapter is to help ensure that grantees will use CDBG funds *only* for eligible activities and will properly classify activities by type. The importance of using CDBG funds only for eligible activities is self-evident. The proper classification of activities is also important because the applicable statutes and regulations place specific requirements on certain activities and not on others. For example, there is a statutory and regulatory limitation on the amount of CDBG funds which may be used for public services. There is a similar limitation on the amount of CDBG funds which may be used for planning and administrative costs.

The statute and regulations also place *special requirements* on such activities as code enforcement and assistance to for-profit businesses for economic development projects. An improperly classified activity may be unnecessarily subject to an inapplicable requirement or, conversely, it may be carried out in a manner contrary to the intent of the law.

SCOPE OF AN ELIGIBILITY DETERMINATION

Six steps are involved in the process of determining if CDBG funds may be used to assist a proposed activity.

The **first step** is to determine if the activity is included within the listing of eligible activities in the CDBG regulations, as modified by statutory amendments. This chapter describes all activities which are currently eligible.

The **second step** is to determine if the proposed activity falls within a category of explicitly ineligible activities, despite its apparent inclusion within the listing of eligible activities. For example, while many public facilities are eligible for assistance, there is an explicit statutory and regulatory bar to providing assistance to "buildings for the general conduct of government." The explicitly ineligible activities are identified in this chapter.

The **third and probably most important step** is to determine if the proposed activity meets one of the national objectives of the program:

NATIONAL OBJECTIVES
<ul style="list-style-type: none">• Benefiting low and moderate (L/M) income persons• Addressing slums or blight; and,• Meeting a particularly urgent community development need.

The fourth step is to ensure that carrying out the activity with CDBG funds will not result in the grantee violating its certification that at least 60% of CDBG funds will benefit L/M income persons over one, two, or three consecutive program years, as specified by the grantee. The procedure for calculating overall program benefit to L/M income persons is described in Chapter 3.

The fifth step is to review proposed costs of the activity to determine if they appear to be necessary and reasonable and will otherwise conform with the requirements of OMB Circulars A-87, "Cost Principles Applicable to Grants and Contracts with State and Local Governments," A-122, "Cost Principles for Non-Profit Organizations," or A-21, "Cost Principles for Educational Institutions," as applicable.

The sixth step is to complete the environmental review and clearance procedures for the project of which the activity is a part. Those procedures are set forth in 24 CFR Part 58. HUD is prohibited by law from releasing funds for a CDBG activity until the grantee certifies that it has met its responsibilities with respect to environmental protection.

ELIGIBLE ACTIVITY CATEGORIES

The remainder of this chapter describes separately each type of eligible activity in the following order:

ELIGIBLE CATEGORIES	PAGE
Acquisition of Real Property	1-3
Disposition	1-9
Public Facilities and Improvements	1-15
Privately-Owned Utilities	1-23
Clearance	1-25
Public Services	1-29
Interim Assistance	1-37
Relocation	1-41
Loss of Rental Income	1-43
Removal of Architectural Barriers	1-45
Housing Rehabilitation	1-47
New Housing Construction	1-53
Code Enforcement	1-59
Historic Preservation	1-63
Commercial or Industrial Rehabilitation	1-65
Special Economic Development	1-67
Special Activities by Subrecipients	1-73
Planning and Capacity Building	1-75
Program Administration Costs	1-77
Other Activities	1-81

CITY OF LODI
221 WEST PINE STREET
LODI, CALIFORNIA 95240

ADVERTISING INSTRUCTIONS

SUBJECT: NOTICE OF PUBLIC HEARING - 1993/94 COMMUNITY DEVELOPMENT BLOCK
GRANT (CDBG) ALLOCATION

PUBLISH DATES: SATURDAY, MARCH 6, 1993

TEAR SHEETS WANTED: THREE

AFFIDAVIT AND BILL TO: JENNIFER M. PERRIN, CITY CLERK

DATED: MARCH 3, 1993

ORDERED BY:
PEGGY NICOLINI
DEPUTY CITY CLERK

ADVINS/TXTA.02J



CITY OF LODI

CARNEGIE FORUM
305 West Pine Street, Lodi

NOTICE OF PUBLIC HEARING

Date: April 7, 1993

Time: 7:30 p.m.

For information regarding this Public Hearing
Please Contact:

Jennifer M. Perrin
City Clerk
Telephone: 333-6702

NOTICE OF PUBLIC HEARING

April 7, 1993

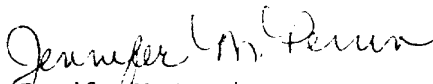
NOTICE IS HEREBY GIVEN that on Wednesday, at the hour of 7:30 p.m., or as soon thereafter as the matter may be heard, the City Council will conduct a public hearing to consider the following matter:

- a) 1993/94 Community Development Block Grant (CDBG) Allocation

All interested persons are invited to present their views and comments on this matter. Written statements may be filed with the City Clerk at any time prior to the hearing scheduled herein, and oral statements may be made at said hearing.

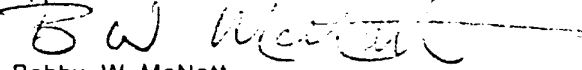
If you challenge the subject matter in court, you may be limited to raising only those issues you or someone else raised at the Public Hearing described in this notice or in written correspondence delivered to the City Clerk, 221 West Pine Street, at or prior to the Public Hearing.

By Order Of the Lodi City Council:


Jennifer M. Perrin
City Clerk

Dated: March 3, 1993

Approved as to form:


Bobby W. McNatt
City Attorney

CC-6 3/3/3
CC-16
CC-27(c)
CC-55



MEMORANDUM, City of Lodi, Public Works Department

To: City Council
City Manager
From: Public Works Director
Date: March 17, 1993
Subject: Status of Hale Park Improvements Project

The purpose of this memo is to report on the status of the Hale Park project as requested at the City Council Meeting of March 3, 1993.

The following dates highlight the critical points of this project:

3/11/92	Contract bids for project received and opened.
3/18/92	City Council awarded contract to BRCO Constructors, Inc., of Sacramento.
4/21/92	First working day for project.
5/92	BRCO and its subcontractors were clearing and grubbing the site, doing off-site concrete work and on-site grading.
6/92-8/92	Work done on the recreation building, the park lighting system, and on-site walkways.
9/92	Basketball court paved and fencing installed around the sport areas.
10/92	Recreation building completed and work started on playground equipment and irrigation system.
11/92	Minimal work done on the project.

At the end of October, BRCO Constructors submitted a request to substitute the playground chips called for in the specifications with chips supplied by another manufacturer, Artesia Sawdust. During this time, there were discussions on what benefits the City would receive with the proposed substitution. The specifications specified Fibar wood chips as the playground surfacing material. The installation of a Fibar system included additional benefits to the City, such as warranties for performance and biological degradation and a certificate of insurance in the amount of \$10,000,000 for product liability.

In reviewing BRCO's substitution, we wanted to be sure that the Artesia Sawdust product provided the same coverage as the Fibar system. A meeting was held

Status of Hale Park Improvements Project
March 17, 1993
Page 2

on January 21, 1993, with representatives from BRCO, A-1 Fence and Playground Equipment, and members of the City staff. From this meeting, it was decided that the City would accept the Artesia Sawdust product with a one-year performance warranty, a three-year biological degradation warranty, and a certificate of insurance in the amount of \$2,000,000 for product liability. The insurance coverage was not as great as the coverage provided by Fibar, but it did name the City of Lodi as an additional insured, something Fibar's certificate of insurance did not do. City Attorney McNatt advised the City accept the \$2,000,000 certificate of insurance with the City of Lodi named as an additional insured in lieu of accepting the larger certificate of insurance without the City's name. BRCO Constructors was then given permission to order the Artesia Sawdust playground chips and have it installed. This installation started Friday, January 29, 1993, and was completed February 10, 1993.

A question was also raised at the January 6, 1993, Council Meeting regarding working days and how they are established. It is standard practice to start counting working days 15 days after the Mayor signs the contract. Working days are not assessed for weekends, holidays, and inclement weather. If the contractor does additional work not included in the original scope of work, he is issued a change order and given added time for the new work. BRCO's working day statement originally showed a completion date of October 15, 1992. This date took into account all weekends and holidays between the first working day and the 120 working days allowed in the contract. Because of time added from change orders and non-working days caused by weather, the completion date for the park was extended to February 1, 1993.

Recent Work Done in Hale Park:

1/29/93	Wood chips delivered to Park. Geotextile fabric placed in the playground and par course areas.
2/1-2/10/93	Wood chips spread.
2/3-2/5/93	BRCO's subcontractor, Restroom Facilities, addressed punch list items in the recreation building.
2/11/93	Park sign and mowstrip installed at the corner of Elm Street and Stockton Street.

Status of Hale Park improvements Project
March 17, 1993
Page 3

On Monday, March 8, 1993, BRCO and the City met in the Park to discuss change order items and the project schedule for the remainder of the construction. The status of the fencing was also discussed to see whether it could be removed or relocated to allow the use of the playground equipment. BRCO didn't want to relocate the fence if their landscaper would have his work completed within a couple of weeks.

BRCO's schedule at the time of the March 8 meeting was to have the Park weeds sprayed on Thursday, March 11, and the landscaper starting work on Monday, March 15. The herbicide applicator was not able to spray the weeds until Saturday, March 13, and the landscaper is now waiting for the chemicals to take effect before he starts his work. This normally takes five to seven days.

The landscaper now feels that the fence should be in place for at least three weeks after seeding to allow the seeds to germinate. BRCO has indicated that one fence panel could be removed to allow the public use of the playground. A sign would also be posted to notify the public that the playground equipment is available for use but that the Park would be closed again if pedestrian traffic on the turf areas causes a problem for the landscaper.

The contractor's schedule for the completion of the project is as follows:

3/13/93	Spraying of weeds completed.
3/22-3/26/93	Prepare soil and seed.
4/16/93	Remove fence.
5/5/93	Council accepts project. (At the time of acceptance, the City will still retain 10% of the contract amount which includes money for landscape maintenance.)
7/16/93	End of 90-day maintenance period.


Jack L. Ronsko
Public Works Director

JLR/WKF/lm

Attachment

cc: Parks and Recreation Director
Community Development Block Grant Coordinator
Virginia Lahr
Tony Canton
BRCO Constructors, Inc.

STAT3.DOC